

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth and ERS.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO AND THE EMPLOYEES
RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO TO THE RESPONSE FILED BY EVA E. MELENDEZ FRAGUADA
[ECF NO. 19420] TO THE THREE HUNDRED NINETY-FOURTH OMNIBUS
OBJECTION (NON-SUBSTANTIVE) TO EMPLOYEE CLAIMS ASSERTING
LIABILITIES OWED BY ENTITIES THAT ARE NOT TITLE III DEBTORS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”) and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS,” and together with the Commonwealth, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Debtors pursuant

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² file this reply (the “Reply”) to the response [ECF No. 19420] (the “Melendez Fraguada Response”) filed by claimant Eva E. Melendez Fraguada (“Melendez Fraguada”) to the *Three Hundred Ninety-Fourth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Employee Claims Asserting Liabilities Owed by Entities that are Not Title III Debtors* [ECF No. 18958] (the “Three Hundred Ninety-Fourth Omnibus Objection”). In support of this Reply, the Debtors respectfully represent as follows:

1. On October 29, 2021 the Debtors filed the Three Hundred Ninety-Fourth Omnibus Objection seeking to disallow claims asserting liabilities associated with allegedly unpaid wages or other employment benefits purportedly owed by entities that are not Title III debtors, each as listed on Exhibit A thereto (the “Claims to Be Disallowed”). Each of the Claims to Be Disallowed fail to comply with the applicable rules, however, because they do not provide a basis for asserting a claim against the Commonwealth or any other Title III Debtor for liabilities purportedly owed by entities that are not Title III debtors.

2. Any party who disputed the Three Hundred Ninety-Fourth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on November 29, 2021 in accordance with the Court-approved notice attached to the Three Hundred Ninety-Fourth Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the Three Hundred Ninety-Fourth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Fifteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 17127-1]). *See Certificate of Service* [ECF No. 19074].

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

3. Melendez Fraguada filed a proof of claim against ERS on January 22, 2020, which was logged by Prime Clerk as Proof of Claim No. 177716 (the “Melendez Fraguada Claim”). The Melendez Fraguada Claim asserts liabilities associated with allegedly accrued, but unpaid, pension contributions earned during her employment with the State Insurance Fund Corporation (by its Spanish acronym, “CFSE”), as well as other liabilities purportedly arising out of her employment with the CFSE.³

4. CFSE, however, is a public corporation and independent entity that is legally separate from the Commonwealth. CFSE is also not a Title III debtor. However, neither the Melendez Fraguada Response nor the Melendez Fraguada Claim provides a basis for asserting a claim against ERS or any other Title III Debtor in respect of liabilities purportedly owed by CFSE, a separate and independent agency.

5. Accordingly, because Melendez Fraguada has not provided a basis for asserting the portion of the Melendez Fraguada Claim asserting liabilities associated with her employment with CFSE against ERS or any other Title III Debtor, the Debtors respectfully request that the Melendez Fraguada Claim be partially disallowed, notwithstanding the Response. The portion of the Melendez Fraguada Claim asserting pension contributions will remain pending resolution via the administrative claims reconciliation process.

³ The portion of the Melendez Fraguada Claim asserting liabilities associated with Melendez Fraguada’s pension contributions was previously transferred into the administrative claims reconciliation process.

Dated: February 2, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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